



February 17, 2011

The Honorable Charles Schumer  
The Honorable Kirsten Gillibrand  
The Honorable Tim Bishop

To my Representatives in Congress:

I'm writing again regarding credit card fees. I wrote you last year on the same subject and I'm glad to see some progress is being made to help the small businesses of America. But, quite frankly, it's not enough. The whole structure needs to be examined.

I'm attaching a copy of my letter from last year where I described a situation in which an attempt was made to charge me \$77.50 in fees for \$78.00 in charges that I performed in accordance with my agreement with my processor. Now the banks are claiming that they need the fees because they make the money available instantly to the merchant.

Let's be clear... the money is NOT available immediately – it takes at least two days. And, if they think there's a fraud issue they deduct it from my account without notice.

Now, let's talk about their cost structure. Does it, in fact, cost more to process a transaction for \$10 than it does to process one for \$100? I'll guess not. The credit card industry charges merchants as a percentage of the sale. So, one transaction costs \$0.17 plus fees; the other \$1.70 plus fees. I doubt there's a 100 fold increase in costs associated with the transactions.

The credit card companies also charge additional fees to cover the costs of their marketing programs, their increased risks and their shareholder profits!! Last time I looked, they were in the business of assuming risk. I'm in the business of serving food. They're in the business of bonus points and give-backs. I'm in the business of mixing drinks. Let them set costs associated with their business and let the consumer shop for the best deal. The merchant as consumer has NO choices. I cannot tell a customer that I don't want to accept their airline rewards card because it costs me more so the bank can give them more!! That's not my business model, it's theirs.

You know... it's frustrating. The big banks are back in the black again and I'm out of business. And while it's not just credit card fees, it is a part of it. I paid over \$30,000 in credit card fees last year. How much did it cost to process those transactions?

I encourage you to NOT fall prey to the banking lobbyists. They have neither your constituents' nor our businesses' best interests in mind.

Sincerely,

Marc Miller  
Former Owner

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